

you have three days to rescind that in home transaction. Now, the theory behind that three-day cooling off law is that a number...that you get an awful lot of unwelcome salesmen in your house and you can't get rid of them and so in desperation you sign an agreement. In a sense you are...your judgment was overwhelmed by their being in your house and they have also had very attractive bargains, the encyclopedias looked good and the models looked good and so on and so forth and so you sign it. But the law says you've got three days to rescind that transaction. And the second area of rescission that I can come up with in my mind is, if you own a house, if you own a home and you go out to a finance agency or anybody else and you borrow money, you borrow money and you put a second mortgage on your home, you put a second mortgage on your home that that under the truth in lending law you've got three days to, in effect, rescind the transaction. Okay? And again, obviously, the purpose behind that law where you go out and borrow money, not to finance the purchase of the house, mind you, but rather to do something else and you put a second mortgage on your house or some other lien on your house, then under those circumstances you can rescind it, the transaction, within three days. You've got a three-day cooling off period, the purpose there, obviously, is to, in a sense, prevent the unsuspecting borrower or the unsophisticated borrower from putting a...giving a security interest in his house because later on he may discover that the rate of interest he borrowed at is excessive, he may discover that the rate...that the kind of transaction he entered into was a bad transaction, but he is still stuck, having given a second mortgage on his house. So there is a three-day cooling off period. But I will say at this point, because my time is limited, that Senator Higgins' first amendment, i.e., the 48 hour advance notice amendment, to the best of my knowledge, is essentially unprecedented in the consumer rights transaction area and I think that it is unprecedented because I think that, again as a society, we simply don't want to impede sales or to impede transactions from occurring. I think that amendment at least ought to be defeated.

SPEAKER NICHOL: Senator Higgins, would you like to close on your amendment, please.

SENATOR HIGGINS: Thank you, Mr. President. I can assume from Senator Vard Johnson's remarks that no one in the